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SIPDIS

NAVYIPO FOR STEVE POPPE, EUCOM J5 FOR LEE GABEL/JOHN
DRISCOLL, DSCA FOR DIANE LAMB, OSD/ISA FOR GARY ESPINAS,
EUR/PRA FOR MATT HARDIMAN

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TAGS: [MASS](#) [MCPA](#) [MARR](#) [PREL](#) [UP](#)
SUBJECT: UKRAINIAN ACQUISITION OF PERRY CLASS FRIGATE:
COUNTRY TEAM ASSESSMENT

Classified By: Ambassador William B. Taylor, Reason 1.4 (B,D)

Summary

1. (SBU) Summary. On 23 September 2008, in a letter from First Deputy Minister of Defense V.V. Ivashenko addressed to U.S. Ambassador William Taylor (MoD Letter #220/3918) the GoU formally requested the U.S. to consider providing an Oliver Hazard Perry class frigate (FFG) to the Ukrainian Navy. Following subsequent briefings and discussions, U.S. Embassy Kyiv provides the following Country Team Assessment in support of such a transfer, per IAW DoD 5101.38-M, Chapter 5. End Summary.

Reason Ukraine desires FFGs

2. (C) The Ukrainian Navy's aging Soviet-era capability is difficult to maintain and rapidly approaching obsolescence. As part of Ukraine's ongoing Strategic Defense Review process, Ukraine is re-evaluating its threat assessment and capability requirements, particularly in light of the August 2008 Georgia-Russia conflict. This ongoing reevaluation is creating a desire to enhance Ukrainian naval capability for both coalition operations and national defense. Obtaining and fielding a FFG would also provide valuable opportunities to broaden cooperation with the USN through training and technical cooperation, another key Ukrainian Navy goal. Finally, the transfer would provide a visible symbol of Ukraine's close relationship with the U.S. and enhance the prestige of the Ukrainian Navy.

How articles would affect Force Structure

3. (SBU) In initial discussions, Ukrainian Navy officials indicated their intent to meet personnel and other requirements for this fielding through decommissioning of outdated ships and reapportionment of existing personnel. Post does not anticipate a net increase in Ukrainian Navy end strength.

How articles would contribute to U.S. and host nation security goals:

4. (C) Increasing Ukrainian Navy capability and interoperability for coalition operations, particularly maritime domain awareness and maritime interdiction operations, are key U.S. and Ukraine objectives as agreed in the bilateral U.S.-Ukraine Work Plan for Military Cooperation, the USEUCOM Strategy for Active Security and Country Campaign Plan for Ukraine, and in guidance resulting from U.S.-Ukraine Bilateral Defense Consultations. Expanding the scope of our security cooperation was called for in the recently-concluded U.S.-Ukraine Charter.

¶5. (SBU) Ukraine has and intends to continue active participation in all NATO-flagged operations (the only PfP partner state to do so), including OPERATION ACTIVE ENDEAVOR, even though most Ukrainian warships lack adequate station keeping capability and are extremely difficult to operate on extended deployments far from home waters. A recent deployment of a Ukrainian corvette highlighted the need for larger and more capable ships. Ukraine has expressed interest in participating in counter piracy operations off the coast of Somalia and security cooperation/capability development activities such as AFRICA PARTNERSHIP STATION, and greater cooperation with the EU, a goal the U.S. supports.

Justification of type/quantity

¶6. (C) Provision of an Oliver Hazard Perry class FFG to the Ukrainian Navy will enhance existing capabilities and promote the durability of these capabilities into the future. Based on initial discussions, the Ukrainian Navy intends to use the ship for maritime defense and security operations, including potential participation in expeditionary counter terrorism and counter piracy deployments as part of an international coalition. An Oliver Hazard Perry class FFG would be appropriate for such requirements, since it is capable of extended blue water operations, and its station-keeping capability would greatly enhance Ukraine's contribution to coalition operations. At the same time, the FFG would be small enough for the Ukrainian Navy to operate and maintain. Capabilities necessary to meet anticipated mission requirements are, but not limited to: air, surface, and sub-surface surveillance; point air defense; under-sea/anti-submarine warfare;

surface-to-surface missiles; and interoperable command; and contro

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capability IAW guidance from EUCOM J6.

¶7. (C) Specific systems needed would include retention or addition of:

- MK 75 76mm gun and ammunition
- MK15 CIWS Blk 1B and suitable ammunition
- Surface Vessel Torpedo Tubes (SVTT) and MK46-equivalent torpedoes
- MK 38 25mm gun
- SPS-55 surface search radar
- SPS-49 air search radar
- AN/S-89 ASW suite
- MK13 GMLS (missile launcher)
- Combined Antennae System (CAS)
- MK92 gun and fire control system (retain CAS)
- Harpoon missiles and canister launch system (CLS) (or alternative MK13 re-installation)
- Sea RAM as alternative point air defense system
- Interoperable voice and data communication capability

Combatant Commander's concurrence/assessment

¶8. (C) Will be provided SEPTTEL

Anticipated Reaction of neighboring nations

¶9. (C) Reactions of neighboring nations are likely to be mixed. There is an exaggerated belief among many Ukrainian officials that the frigates could provide the Ukrainian Navy with the ability to defend Ukraine's shores from, among others, Russia. Although these ships could, depending on how they are eventually outfitted, provide the Ukrainian Navy with a real combat capability, this capability would not be something to challenge Russia or Turkey (with the region's most serious naval presence). At the same time, we assess that it is quite likely that Russia will use the acquisition as an opportunity for an anti-Ukrainian and anti-NATO public information campaign - most particularly directed to media outlets in Crimea, where Russia still hopes to maintain the Black Sea Fleet after the current 2017 expiration of its basing treaty with Ukraine.

¶10. (C) The negative public relations campaign notwithstanding, our assessment is that an FFG is likely to do little or nothing to change the balance of power in the region. We would not expect either Russia or Turkey to share Ukraine's assessment of the strategic impact or military importance of a frigate in the region. Likewise, we would expect little militarily substantive reaction from either country in response (e.g., serious objection, diplomatic protests, or changes in posture).

¶11. (C) We believe other Black Sea littoral states are likely to have a muted response or take a neutral position. While political relations with Romania are currently strained, we would anticipate that, by the time this purchase (if approved) were ready to move forward, relations are likely to have recovered. Georgia, which is allied with Ukraine and which depends on Ukraine for political support in the region, may see a Ukrainian frigate purchase as a positive development.

Assessment ability to support, safeguard, maintain

¶12. (C) The Ministry of Defense has been chronically underfunded; this situation has been exacerbated by drastic cuts to the defense budget resulting from the current financial crisis (see paras 15-17). Absent the question of resourcing, the current sophistication of Ukrainian Navy planning gives post high confidence in the tactical and technical ability of the Ukrainian Navy to support, safeguard, and maintain these ships. Ukrainian Navy Staff is already reviewing requirements and preparing initial plans for on-shore upgrades and modifications, and compiling data on the capabilities of shipyards in Ukraine and throughout the region to support different requirements, as well as visiting/consulting with regional partner states that have experience with EDA FFGs.

Training required either in-country or in the United States and anticipated reactions resulting from the presence of U.S. trainers in country

¶13. (C) Operation and maintenance of such a ship would require extensive crew and officer training and maintenance, primarily in the U.S. but also at training facilities in Ukraine. As part of case development, the embassy's Office of Defense Cooperation will develop a detailed Integrated Training Plan in cooperation with the Ukrainian Navy and U.S. NETSAFA. Presence of USN and civilian personnel on Ukrainian naval bases to conduct security cooperation activities have been a common occurrence for several years and would not present a significant change to current practice.

Possible impact of any in-country U.S. presence that might be required as a result of providing the article

¶14. (C) In-country U.S. presence that would be required as a result of providing a frigate would be minimal, as the contract for maintenance and support is likely to be handled through existing Ukrainian facilities in Mikolayev, and conducting the necessary End Use Monitoring in conjunction with normal visits to the Ukrainian Navy HQ in Sevastopol would be well within the means of the Embassy's Office of Defense Cooperation. As stated in paragraph 8, requirements for training are not anticipated to depart from existing practice.

Source of Financing and the economic impact of the proposed acquisition

¶15. (SBU) Ukraine will source the financing for the acquisition from the national budget. Making funds available for the purchase is largely a question of Ukrainian political will. In recent years, a lack of political will at the national level has led to chronic underfunding of

defense budgets by the Ukrainian parliament, and spending has not met levels needed to achieve defense modernization and reform goals. The current financial crisis has led to additional cuts in current defense spending. The cost of the acquisition is high given today's economic situation and low levels of defense funding.

¶16. (C) Nevertheless, post also notes that the expected timeline would put the transfer, if approved, no earlier than 2012. In addition, the first decision point to apportion funds for this purchase is likely come in spring 2010, when money will be needed for training. This moment will be reached well after presidential elections (currently being planned for October, 2009), by which time Ukraine's political and economic situation will be more clear.

¶17. (C) Post does see the possibility that the purchase will be viewed as a priority by political leaders, despite positioning and posturing among rival political groups in Kyiv and despite current budgetary pressures. The Ministry of Defense will need to work with Ukrainian leaders to increase their understanding of the costs associated with their strategic defense goals. The cost of a frigate should be viewed as strategically related to, but financially separate from other important defense reform goals, such as establishing a professional force, equipment maintenance and upgrades, modernizing training, and improved compensation/benefits for military personnel - areas also in need of substantial funding.

Human rights considerations relevant to the proposed acquisition

¶18. (SBU) None

End Use Monitoring Plan

¶19. (SBU) Conducting the necessary End Use Monitoring in conjunction with normal visits to the Ukrainian Navy HQ in Sevastopol would be well within the means of the Embassy's Office of Defense Cooperation.

Recommendation whether the USG should approve transfer of the article and justification

¶20. (SBU) Recommend approve.

Night vision devices

¶21. (SBU) N/A

TAYLOR